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District Counsel

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

in re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry Street
Tulare, CA 93274

CASE NO. 17-13797

Chapter 9

DC No.: WW-14

Date: January 25, 2018
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR
ORDER FIXING BAR DATE FOR FILING PROOFS OF CLAIM

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1 TO THE HONORABLE RENÉ LASTRETO II AND PARTIES IN INTEREST:

2 PLEASE TAKE NOTICE that on January 25, 2018, at 9:30 a.m., the Honorable
3 René Lastreto II, United States Bankruptcy Judge, will conduct a hearing on "Motion for
4 Order Fixing Bar Date for Filing Proofs of Claim" (the "Motion"), filed by Tulare Local
5 Healthcare District, dba Tulare Regional Medical Center (the "Debtor" or "TRMC").

6 I.

7 **BACKGROUND**

8 On September 30, 2017 (the "Petition Date"), the Debtor filed a voluntary petition
9 for relief under chapter 9 of title 11 of the Bankruptcy Code.

10 On October 27, 2017, the Debtor filed a List of Creditors pursuant to 11 U.S.C. §
11 924, which has since been amended ("List of Creditors"). The List of Creditors identifies
12 over 750 potential claimants and largely does not specify an amount owing to the listed
13 claimants. Given the large number of potential claimants the administration of this case
14 will be costly and burdensome especially as to noticing. The Debtor has filed the
15 Motion in an effort to protect the rights of all parties in interest as to notice and the
16 opportunity to be heard, including the right to assert claims against the Debtor.

17 II.

18 **THE PROPOSED DEADLINES AND PROCEDURES ARE REASONABLE AND**
19 **APPROPRIATE UNDER THE CIRCUMSTANCES**

20 The Debtor seeks an equitable adjustment of its debts. To file a plan of
21 adjustment the Debtor must assess the extent, validity, priority, amount and identity of
22 holders of Claims against the Debtor. This is especially true in this case as the Debtor
23 was barred from information while the prior management company was in control of the
24 Debtor's assets and records.

25 In order to facilitate an adjustment of its debts, it is necessary for the Court to
26 establish a bar date for the filing of proofs of Claim ("Proofs of Claim"). Given the large
27 number of potential parties in interest in this case, it is appropriate to establish the
28 procedures and notices regarding the filing of Proofs of Claim.

1 FRBP 3003(c)(2) provides that, in a Chapter 9 case, “any creditor or equity
2 security holder whose claim or interest is not scheduled as disputed, contingent, or
3 unliquidated shall file a proof of claim or interest within the time prescribed by
4 subdivision (c)(3) of this rule; any creditor who fails to do so shall not be treated as a
5 creditor with respect to such claim for the purposes of voting and distribution.”

6 FRBP 3003(c)(3) provides that “the court shall fix and for cause shown may
7 extend the time within which proofs of claim or interest may be filed. Notwithstanding
8 the expiration of such time, a proof of claim may be filed to the extent and under the
9 conditions stated in FRBP 3002(c)(2), (c)(3), and (c)(4).” FRBP 3003(c) is derived from
10 Section 502(b)(9), which provides that “a claim may not be allowed to the extent that
11 proof of such claim is not timely filed.” Thus, the entry of a bar date is consistent with
12 the Code and the Rules.

13 FRBP 2002(a)(7) provides that notice of the time fixed for filing proofs of claim
14 (“Notice”) must be sent to all parties in interest. Accordingly, the Debtor requests that
15 the Court authorize that such Notice be provided by first class mail to those included on
16 the List of Creditors and to those having filed a Request for Special Notice.

17 Additionally, pursuant to FRBP 2002(l), the Debtor requests that the Court order
18 publication of the Notice, one time in the *Visalia Times-Delta*, in order to give notice to
19 claimants of whom the Debtor is unaware of or for whom the Debtor does not have
20 accurate, current address information.

21 The Debtor asserts that the relief requested herein is necessary to enable it,
22 among other things, to ascertain the amount and nature of Claims asserted against the
23 Debtor, which will assist in the administration of this case. Moreover, the deadlines and
24 procedures sought provide parties in interest sufficient opportunity to file Proofs of
25 Claim, as such parties will have previously been served with Notice of the
26 Commencement of Debtor’s bankruptcy case and since many creditors have already
27 filed Proofs of Claim.

1 Although the Debtor has filed its List of Creditors, in many instances no claim
2 amounts are listed in the List of Creditors because FRBP 1007 does not require such
3 information. Accordingly, claimants named on the List of Creditors who have not
4 already submitted a Proof of Claim should assume that their Claims are presently
5 asserted in the amount of \$0, or are disputed. See 11 U.S.C § 925. Parties asserting
6 claims against the Debtor should file a timely Proof of Claim, which will permit the
7 Debtor to compare asserted Claims against its own books and records.

8 Thus, the Debtor submits that the requested Bar Date and related deadlines and
9 procedures are reasonable and appropriate under the circumstances and are in the best
10 interests of the Debtor and the Debtor's creditors.

11 III.

12 CONCLUSION

13 WHEREFORE, the Debtor respectfully requests that this Court grant the Motion
14 and grant such other relief as is just and proper.

15
16 December 22, 2017

WALTER WILHELM LAW GROUP

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19 Attorneys for Debtor,
20 Tulare Local Healthcare District, dba
21 Tulare Regional Medical Center
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